Government of Saskatchewan

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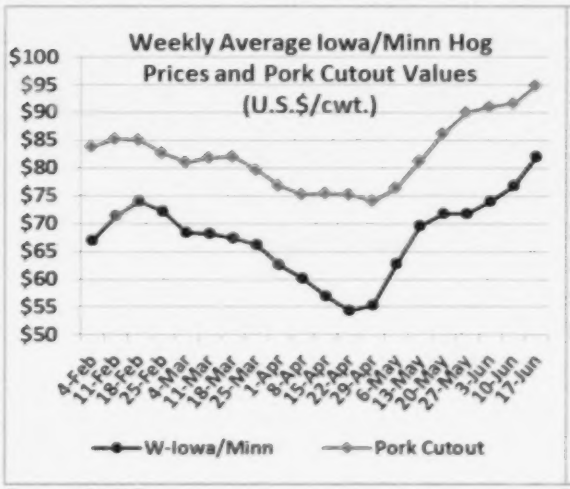
Weekly Hog Report

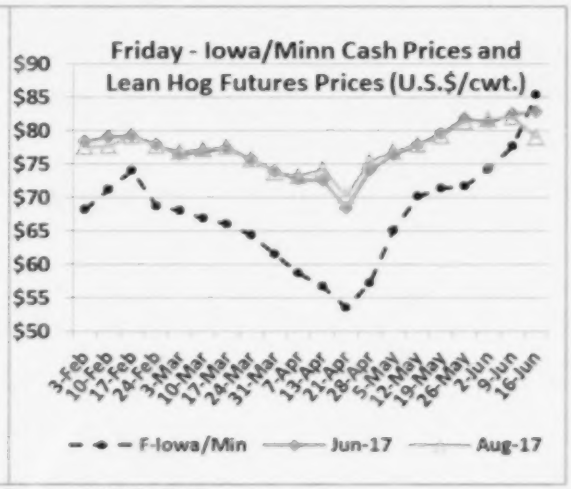
June 19, 2017

Cash Slaughter Weight Hog Prices

United States daily average cash hog prices (Iowa/Minn) were noticeably higher last week. Hog prices on Friday June 16 averaged US$85.32 per cwt, up US$7.67 per cwt or 9.9 per cent from US$77.65 per cwt the previous Friday. The negotiated weekly base price last week averaged US$82.01 per cwt, up US$5.20 per cwt or 6.8 per cent from US$76.81 per cwt the previous week. Slaughter weight cash hog prices were higher on continued seasonal strength and good packer margins on higher pork cutout values.



Source: LMIC



Source: LMIC, CME

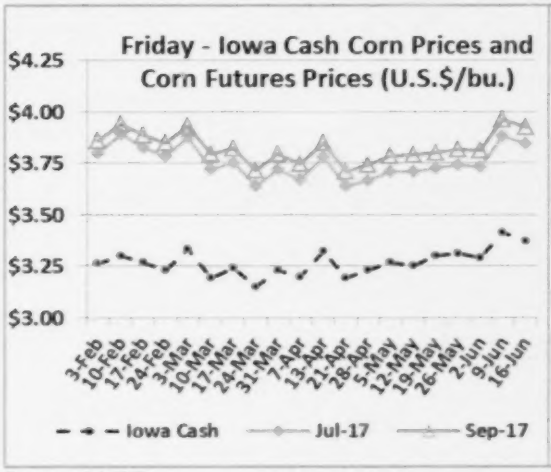
In Canada, the Signature#5 (Maple Leaf) Index 100 daily price for Friday June 16, 2017 was $200.78 per ckg, up $8.80 per ckg or 4.6 per cent from $191.98 per ckg the previous Friday. Signature#5 weekly prices (Friday to Thursday) averaged $195.20 per ckg, up $6.57 per ckg or 3.5 per cent from the previous weeks' average price of $188.63 per ckg. The Canadian dollar moved higher on talks of potential Bank of Canada rate hikes to settle last Friday at 75.57 cents, up 1.24 cents from 74.33 cents the previous Friday.

Futures Markets

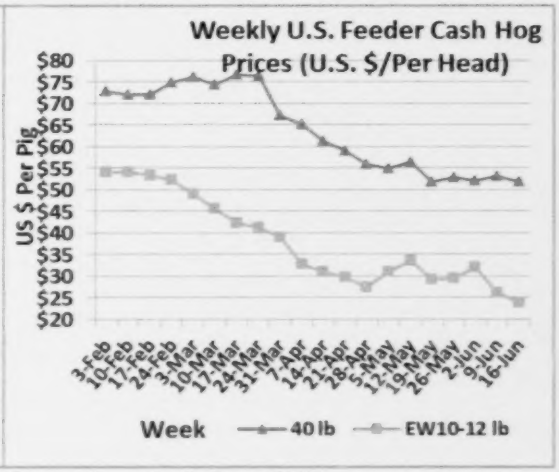
United States lean hog futures daily prices were mixed last week but overall lower to end the week primarily down, week-over-week. The nearby June lean hog futures contract increased US$0.450 per cwt last week to expire Friday at US$82.930 per cwt; while the August lean hog futures contract declined US$2.925 per cwt to settle last Friday at US$79.125 per cwt.

Cash Feeder Hog Prices

North American (Iowa) iso-wean (10-12lb) cash hog prices and feeder (40lb) cash hog prices were lower last week. Weighted average cash prices for iso-weans (12lb) last week were US$23.71 per head, down US$2.47 per head or 9.4 per cent from US$26.18 per head the previous week. Feeders (40lb) averaged US$51.69 per head, down US$1.44 per head or 2.7 per cent from US$53.13 per head, the previous week.



Source: LMIC



Source: Iowa Agriculture, CME

Iowa cash corn prices settled last Friday at US$3.37 per bushel, down four cents from US$3.41 per bushel the previous Friday. Corn futures were mixed last week down ten cents Monday to help prices move lower over the week. The July contract declined almost four cents to settle Friday at US$3.84 per bushel, while the September contract also declined almost four cents to settle Friday at 3.92 per bushel.

Hogs Slaughtered

U.S. hogs slaughtered under federal inspection for the week ending June 17 were estimated at 2.179 million head, down 0.6 per cent from 2.192 million head the previous week, but up 1.3 per cent from 2.152 million head the same week a year ago. Weekly U.S. hog slaughter numbers over the last four weeks have averaged about 2.138 million head, up 2.8 per cent from 2.081 million head over the same period a year ago.

In Canada, federal and provincial hog slaughter numbers for the week ending June 10, 2017 were estimated at 408,300 head, down 3.4 per cent from 422,677 head the previous week, but up 4.2 per cent from 391,930 head the same week a year ago. Canadian hog slaughter numbers over the last four weeks averaged 397,972 head, up 3.9 per cent from 383,189 head over the same period a year ago. Year-to-date, Canadian hog slaughter numbers totaled 9,593,695 head, up 1.7 per cent from the same period a year ago. (Source: AAFC/CFIA)

In Western Canada, federal and provincial hog slaughter numbers for the four weeks ending June 10, 2017 averaged 162,884 head, up 2.3 per cent from 159,198 head over the same period a year ago. Year-to-date, Western Canadian hog slaughter numbers totaled 3,953,548 head in 2017, up 2.5 per cent from the same period a year ago.

Meat Production

U.S. pork production for the week ending June 17, 2017 was estimated at 458.1 million lb., down 0.7 per cent from 461.2 million lb. the previous week, but up 1.1 per cent from 453.3 million lb. the same week a year ago. Pork production over the last four week's ending June 17 was estimated to average 449.53 million lb., up 2.0 per cent from 461.2 million lb. over the same four week period a year ago.

U.S. beef production for the week ending June 17 was estimated at 496.4 million lb., up 1.3 per cent from 489.9 million lb. the previous week, and up 0.7 per cent from 493.0 million lb. the same week a year ago.

Combined production of U.S. beef, pork, chicken and turkey over the four weeks ending June 10, 2017, was estimated to average 2.055 billion lb., up 2.2 per cent from 2.010 billion lb. over the same four weeks a year ago. Year-to-date, total U.S. meat production for 2017 is estimated to be up 2.1 per cent compared to the same period in 2016.

United States Weekly Meat Production

(June 10) Four Week Average - Million Lb.			Percent Change	
	2016	2017	4 Week	YTD 2017
Pork	439.7	454.1	3.3%	3.1%
Beef	464.8	477.6	2.8%	4.3%
Chicken	974.4	993.9	2.0%	0.8%
Turkey	131.1	129.5	-1.2%	0.5%
Total	**2,010.0**	**2,055.2**	**2.25%**	**2.09%**

Source: LMIC

Cutout Values

U.S. national pork cutout values for the week ending June 17, 2017 averaged US$94.74 per cwt, up US$3.24 per cwt or 3.5 per cent from US$91.50 per cwt the previous week, and up 8.3 per cent from US$87.46 per cwt from the same week a year ago.

Choice beef cutout prices (600-900 lb.) for the week ending June 17, 2017 averaged US$250.86 per cwt over the week, up US$0.64 per cwt or 0.3 per cent from US$250.22 per cwt the previous week, and up 11.2 per cent from US$225.53 per cwt the same week a year ago.

Average chicken cutout values (breast) for the week ending June 17, 2017 averaged US$161.22 per cwt, down US$5.50 per cwt or 3.3 per cent from US$166.72 per cwt the previous week, but up 35.8 per cent from US$118.69 per cwt the same week a year ago.

For more information contact:

Brad Marceniuk, PAg, MSc, BSA
Provincial Livestock Economist
(306) 933-5098
brad.marceniuk@gov.sk.ca